

Budget Based Rent Adjustment Checklist

Budget Based Submission Requirements:

1. A copy of the notice of proposed rent increase, given to tenants. (Please note, that the notice should be posted 30 days before you intent to submit your request for a rent increase to MHFA). [View a sample notice](#).
2. Statement or cover letter describing how the notice to tenants was distributed. *(Please note that tenants must be served by delivery or by U.S. mail, except for a high-rise project, the notice may be served by either delivery, or U.S. mail, or by posting in three conspicuous places. A high-rise is a property with five or more stories).* [View a sample form](#).
3. Tenant comments and owner's written responses, if applicable.
4. The Owner's Certification to Compliance with the Tenant Comment Procedures form. You can access this form on MHFA's website. [View a sample form](#).
5. Cover letter including:
 - Reason for the increase
 - Physical condition of the property
 - Improvements - if any
 - Changes in Services, Equipment or Charges and Reasons, if applicable
6. Budget Worksheet HUD 92547A. [View a sample document](#).
7. Statement explaining increase in expenses if a line item has increased by more than 5% or \$500.
8. Owner's Certification regarding Purchasing Practices and Reasonableness of expenses. [View a sample copy](#).
9. Signed request for Increase in Replacement Reserve Deposits if part of rent increase request. [View a sample form](#).
10. 3-5 year Capitol Improvement Plan Analysis, if an increase to the reserves is requested.
11. Tenant Utility Analysis, if applicable. Learn more about the [Minnesota Housing's tenant paid utility policy](#).

Budget Based Rent Adjustment Submission Deadlines:

Pre-MAHRA: Those properties that have not renewed their HAP contract since 1997: A complete budget based packet, containing the information stated above, is due 60 days prior to the date that the rent increase is requested.

MAHRA: Those properties that are requesting a budget based rent adjustment in conjunction with their funding or contract renewal: A complete budget based packet, containing the information stated above, is due 120 days prior to the contract expiration and/or anniversary date.

Please note: MHFA does not intend this to be an all-inclusive list of federal requirements. Please review the Section 8 Guidebook, Federal Register and Chapter 7 of the HUD 4350.1 to gain a full understanding of all requirements.